

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

MARGARET BUDDE, Lead Plaintiff
pursuant to 7/29/15 Order, and DANIEL
REAM, Individually and On Behalf of All
Others Similarly Situated,

Plaintiff,

v.

GLOBAL POWER EQUIPMENT GROUP,
INC., RAYMOND K. GUBA and LUIS
MANUEL RAMIREZ,

Defendants.

Case No. 3:15-cv-1679-M

JOINT STATUS REPORT

Lead Plaintiff Margaret Budde (“Plaintiff”) and Defendants Global Power Equipment Group, Inc., Raymond K. Guba and Luis Manuel Ramirez (“Defendants”) submit this Joint Status Report in response to the Court’s February 3, 2016 Order (ECF No. 36).

This is a class action brought under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b). On May 6, 2015, Global Power issued a press release stating that it would “delay the filing of its Form 10-Q for the first quarter of 2015 and restate its financial results for the annual period ended December 31, 2014.” (*Budde Compl.* ¶ 39.) This action and another action were filed in May and June of 2015. On July 29, 2015, the Court consolidated the actions and appointed Block & Leviton LLP and Kendall Law Group LLP as Lead and Liaison Counsel under the Private Securities Litigation Reform Act, 15 U.S.C. § 77z-1(a)(3)(B). (ECF No. 18).

On August 20, 2015, Global Power had not yet filed with the Securities and Exchange Commission (“SEC”) its restated financial results. At that time, the parties agreed by stipulation that a Consolidated Amended Complaint would be filed 45 days after Global Power issued its restated financial results. (ECF No. 26.) The Court granted that motion on August 24, 2015. (ECF No. 27.)

On November 23, 2015, the parties submitted a status report indicating that Global Power “has not yet issued restated financial results, however, it is working to complete the restatement as soon as practicable and will advise the Court as soon as it occurs.” (ECF No. 31.) The Status Report attached a November 23, 2015 press release reporting that the company had “received a four-month extension for continued listing and trading on the NYSE through March 31, 2016,” and that the NYSE allowed Global Power “until March 31, 2016 to file with the Securities and Exchange Commission (SEC) the amended Form 10-K covering the fiscal years that are subject to restatement and the Form 10-Qs for its first, second, and third quarters of 2015.” (ECF No. 31, Exhibit A.)

On January 26, 2016, Global Power filed on Form 8-K a report with the SEC reporting that the scope of the Company’s restatement was expanding to include results going back to 2012:

On January 21, 2016, the Audit Committee, in consultation with its outside advisors and management, concluded that the financial statements for the annual period ended December 31, 2012, and for all quarterly periods contained therein should not be relied upon.

(See Form 8-K for Global Power Equipment Group Inc., attached hereto as Exhibit A.)

Lead Plaintiff submits that, because this action, at its core, concerns Global Power’s financial results, having the restated results is necessary for the Lead Plaintiff to file a thorough and complete amended complaint. As such, it is not possible for Lead Plaintiff to file a complete

amended complaint without access to the company's restated financial results. The interests of efficiency and justice support allowing plaintiffs the opportunity to file a consolidated amended class action complaint with the benefit of Defendants' full financial restatement. If Lead Plaintiff is required to file an amended complaint before the restatement is disseminated, the parties would likely be required to engage in motion to dismiss briefing, which would necessitate the Lead Plaintiff then seeking leave to amend her complaint due to the discovery of new and highly relevant information upon issuance of the restated financial results.

Once the restated financial statements are on file with the SEC, the Lead Plaintiff will work with her engaged financial experts to analyze the restatements and prepare an accurate and complete consolidated amended complaint. This process will take 45 days (as reflected in the scheduled proposed by the parties on August 20, 2015 and approved by the Court on August 24, 2015). Pursuant to the currently-in-effect Scheduling Order (ECF No. 27), should Defendants file their restatement with the SEC by March 31, 2016 (the current deadline imposed by the New York Stock Exchange for continued listing), Plaintiffs' consolidated amended complaint would be due on or before May 14, 2016. If the restatement is filed before the deadline, then Plaintiff's amended complaint will be filed even sooner.

The Lead Plaintiff is eager to move this case forward and is closely monitoring Global Power's SEC filings to ensure that this case will be prosecuted as efficiently and promptly as possible, once Global Power completes its restatement.

The Parties further agree to update the Court every 30 days, and to inform the Court immediately once Defendants' restatement has been made and the schedule for this case becomes fixed.

DATED: February 9, 2016

Respectfully Submitted,

s/ Joe Kendall

Joe Kendall
State Bar No. 11260700
Jamie J. McKey
State Bar No. 24045262
KENDALL LAW GROUP, PLLC
3232 McKinney Avenue, Suite 700
Dallas, Texas 75204
Telephone: 214-744-3000
Facsimile: 214-744-3015
jkendall@kendalllawgroup.com
jmckey@kendalllawgroup.com

BLOCK & LEVITON LLP

Jeffrey C. Block
(pro hac vice)
Erica G. Langsen
(pro hac vice)
155 Federal Street, Suite 400
Boston, Massachusetts 02110
Telephone: 617-398-5600
Facsimile: 617-507-6020
Jeff@blockesq.com
Erica@blockesq.com

Lead Counsel for Lead Plaintiff

s/ Todd A. Murray

Scott L. Davis
State Bar No. 05547030
Todd A. Murray
State Bar No. 00794350
Rachel Kingrey
State Bar No. 24068616
GARDERE WYNNE SEWELL LLP
1601 Elm St., Suite 3000
Dallas, TX 75201-4761
Telephone: 214-999-3000
Facsimile: 214-999-4667
sdavis@gardere.com
tmurray@gardere.com
rkingrey@gardere.com

*Attorneys for Defendants Global Power
Equipment Group, Inc. and Luis Manuel
Ramirez*

David G. Januszewski
CAHILL GORDON & REINDEL LLP
80 Pine Street
New York, NY 10005
Telephone: 212-701-3352
Facsimile: 212-378-2200
djanuszewski@cahill.com

*Attorneys for Defendants Global Power
Equipment Group, Inc.*

Arthur H. Aufses III
**KRAMER LEVIN NAFTALIS &
FRANKEL LLP**
1177 Avenue of the Americas
New York, NY 10036
Telephone: 212-715-9234
Facsimile: 212-715-8234
aaufses@kramerlevin.com
Attorneys for Luis Manuel Ramirez

s/ Paul E. Coggins

Paul E. Coggins
State Bar No. 04504700
Kiprian E. Mendrygal

State Bar No. 24041472
LOCKE LORD LLP
2200 Ross Avenue, Suite 2200
Dallas, TX 75201
Telephone: (214)740-8000
Facsimile: (214)740-8800
pcoggins@lockelord.com
kmendrygal@lockelord.com

Attorneys for Defendant Raymond K. Guba